

Key Largo Wastewater Treatment District Board of Commissioners Meeting Agenda Item Summary

Meeting Date:

July 16, 2024

Agenda Item Number: O-6

Agenda Item Type:

Information / Presentation

Agenda Item Scope:

Review / Discussion

Action Required:

Yes

Department:

Legal

Sponsor:

Nicholas Mulick

Subject:

2024 Assessment Roll (Reso. 14-2024)

Summary of Discussion:

The Board to consider approving the 2024 Assessment Resolution, setting the 2024 annual interest rate of 2.590% and System Development Charges: Plant Capacity Fee \$2,796.00, Pipe Capacity Fee \$1,645.00, Connection Fee \$3,404.00.

Reviewed / Approved

Operations: _____

Customer Service: _____

Finance: _____

District Counsel: _____

District Clerk: _____

Engineering: _____

Financial Impact

\$0.00

Funding Source:

Assessment revenue

Budgeted:

N/A

Attachments

1. 2024 Assessment Resolution

Approved By: _____
General Manager

Date: 7-11-24

RESOLUTION NO. 14-2024

A RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT RELATING TO SYSTEM DEVELOPMENT CHARGES AND ASSESSMENTS FOR 2024 FOR FUNDING OF WASTEWATER COLLECTION, TRANSMISSION, AND TREATMENT FACILITIES WITHIN THE DISTRICT; ESTABLISHING THE ANNUAL INTEREST RATE FOR UNPAID ASSESSMENTS FOR 2024; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION MAY BE REFERRED TO AS THE “2024 ASSESSMENT RESOLUTION.”

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.01. DEFINITIONS. As used in this Resolution, the following terms shall have the following meanings, unless the context hereof otherwise requires.

“**Annual Debt Service Component**” means the amount computed for each Tax Parcel pursuant to KLWTD Rules and Regulations Section 10.13(b).

“**Assessment**” means a charge imposed by the District against real property within the Assessment Area to fund the Capital Cost of Utility Improvements or the Operating Cost of Related Services, as provided for in the District Assessment resolutions. The Assessment may represent a portion of the total System Development Charge as calculated herein and in accordance with the Uniform Assessment Collections Act or may represent the entire System Development Charge where applicable.

“**Assessment Roll**” means a roll of Non-Ad Valorem charges prepared by the District and certified to the Monroe County Tax Collector for collection.

“**Assessment Area**” means the proposed initial Wastewater Assessment Area described in Section 4.01 hereof.

“**Board**” means the Board of Commissioners of the Key Largo Wastewater Treatment District.

“**Capital Cost**” means all or any portion of the expenses that are properly attributable to the acquisition, design, construction, installation, reconstruction, renewal, or replacement (including demolition, environmental mitigation, and relocation) of the Wastewater Management Facilities, and imposition of the Assessment under generally accepted accounting principles; and including reimbursement to the District for any funds advanced for Capital Cost and interest on any interfund, intrafund, or temporary construction loan for such purposes.

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“Collection Cost” means the estimated cost to be incurred by the District during any Fiscal Year in connection with the collection of Assessments including, but not limited to, costs associated with billing and collection, financing charges, and other charges or costs associated with the use of the Uniform Assessment Collection Act.

“District” means the Key Largo Wastewater Treatment District.

“District Obligation” means an Original Obligation secured by proceeds of the Assessments.

“Dwelling Unit” means a single unit designated or intended for one-family occupancy (a household of one or more Persons), including, but not limited to, one single-family house, one-half of a duplex, one apartment, one residential condominium unit (whether in a single-unit building or a multiple-unit building), or one mobile home or recreational vehicle space not regulated under Chapter 513, F.S. An Employee Housing Unit that is part of a Commercial Accommodation facility is not a Dwelling Unit.

“Equivalent Dwelling Unit” or **“EDU”** means a system capacity equivalency unit corresponding to an average of one hundred and sixty-seven (167) gallons per day of potable water usage. This figure is computed in the manner described in Section 4.02 hereof. **“Equivalent Dwelling Unit”** or **“EDU”** means a system capacity equivalency unit corresponding to an average of one hundred and sixty-seven (167) gallons per Day of potable water usage.

“Excluded Parcel” means a Tax Parcel, as determined by the District, that will not receive a special benefit from construction of the District Wastewater Management Facilities and accordingly, not be included in the District’s Tax Roll. To be designated as an Excluded Parcel, the Tax Parcel must not be improved with facilities or structures that generate, or might generate, sewage that will be managed by the District Wastewater Management Facilities.

“Government Property” means a Tax Parcel owned by the United States of America, the State of Florida, a county, a special district, a municipal corporation, or any of their respective agencies or political subdivisions.

“Initial Prepayment Amount” means the amount required to pay in full the System Development Charge for a particular Tax Parcel prior to being included in the Annual Assessment Roll as set forth in the applicable Assessment Resolution.

“KLWTD Rules and Regulations” means the Key Largo Wastewater Treatment District General Rules and Regulations as may from time to time be amended.

“Laundromat” means a stand-alone laundry business that provides self-service and non-self-service laundry facilities to the public, consisting of washing machines, dry cleaning machines, and clothing

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dryers, in any combination. “Laundromat” does not include laundry facilities that are located in or otherwise associated with a Commercial Accommodation

“**Mixed-Use Tax Parcel**” means a Tax Parcel improved with a structure or group of structures, comprising one or more Dwelling Units, and one or more units that are not a Dwelling Unit, or a Laundromat.

“**Multi-Family, Residential Unique Parcel**” means a Residential Unique Parcel intended for more than one Dwelling Unit and less than seven Dwelling Units.

“**Non-Residential Tax Parcel**” means an improved Tax Parcel classified by the Property Appraiser as other than “residential”.

“**Original Obligation**” means that portion of a series of bonds or other evidence of indebtedness, including without limitation notes, commercial paper, capital leases, or any other obligations issued or incurred to finance the Project Cost of the District Wastewater Management Facilities.

“**Project Cost**” means (A) the aggregate Initial Prepayment Amount of all Tax Parcels subject to the Assessment prior to any prepayments, (B) the Transaction Cost associated with the District Obligations attributable to District Wastewater Management Facilities, (C) interest accruing on such District Obligations for such period of time as the District deems appropriate, (D) the debt service reserve fund or account, if any, established for the District Obligations attributable to District Wastewater Management Facilities, and (E) any other costs or expenses related thereto.

“**Property Appraiser**” means the Monroe County Property Appraiser.

“**Residential Tax Parcel**” means a Tax Parcel improved with a structure or structures that are comprised exclusively of Dwelling Units and their appurtenances, such as garages, sheds, swimming pools, and boat docks.

“**Single-Family, Residential Unique Parcel**” means a Unique Residential Parcel intended for a single Dwelling Unit.

“**State**” means the State of Florida.

“**System Development Charge**” or “**SDC**” means the District's charge to each owner of property. The SDC is expected to recover approximately 40% of the Capital Costs related to the construction of the Wastewater Management Facilities attributable to the Tax Parcels covered by this Resolution.

“**Tax Collector**” means the Monroe County Tax Collector.

“**Tax Parcel**” means a parcel of real property to which the Property Appraiser has assigned a distinct ad valorem property tax identification number.

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“Tax Roll” means the real property ad valorem tax assessment roll maintained by the Monroe County Tax Collector for the purposes of the levy and collection of ad valorem taxes.

“Transaction Cost” means the costs, fees, and expenses incurred by the District in connection with the issuance and sale of any series of District Obligations, including without limitation (A) rating agency and other financing fees; (B) the fees and disbursement of bond counsel and disclosure counsel, if any; (C) the underwriter’s discount; (D) the fees and disbursements of the District’s financial advisor; (E) the costs of preparing and printing the District Obligations; (F) the fees payable in respect of any bond or reserve account insurance policy; (G) administrative, development, credit review, and all other fees associated with any pooled commercial paper or similar interim financing program; (H) any private placement fees; and (I) any other costs of a similar nature incurred in connection with the issuance of such District Obligations.

“Uniform Assessment Collection Act” means the method of collecting non-ad valorem assessments provided in Chapter 197.3632, Florida Statutes.

“Residential Unique Parcel” means a Single-Family Residential Tax Parcel that cannot connect to the District’s sanitary sewer system by means of a gravity connection and which must tie directly into the District’s force main via a Grinder Pump System. A Residential Unique Parcel does not include a residential multi-family Tax Parcel consisting of more than six Dwelling Units or a Tax Parcel for which the District has provided a connection point capable of receiving wastewater by gravity, such as a gravity collection system or a vacuum pit.

“Vacant Parcel” means a Tax Parcel that is unimproved with any structures or facilities such as quick-connect fixtures for recreational vehicles that might generate Wastewater, but does not include a Tax Parcel for which permits have been issued for construction.

“Wastewater Management Facilities” means all facilities acquired, designed, constructed, installed, reconstructed, renewed, or replaced by the District for the purpose of collecting, transporting, and treating wastewater and disposing of the byproducts of such treatment. In general, Wastewater Management Facilities may be characterized as one of three types: collection system, transmission main, and treatment plant.

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SECTION 1.02. INTERPRETATION. Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms “hereof,” “hereby,” “herein,” “hereto,” “hereunder,” and similar terms refer to this Resolution; the term “hereafter” means after the effective date of this Resolution; the term “heretofore” means before, the effective date of this Resolution. Words of any gender include the correlative words of the other gender, unless the sense indicates otherwise.

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ARTICLE II
FINDINGS

SECTION 2.01. FINDINGS. It is hereby ascertained, determined, and declared that:

- A. Pursuant to the Key Largo Wastewater Treatment District Act (Chapter 2002-337, Florida Statutes), as amended, and the Uniform Special District Accountability Act of 1989 (Chapter 189, Florida Statutes), the Key Largo Wastewater Treatment District possesses, among other powers, the powers to:
1. Perform such acts as shall be necessary for the sound planning, acquisition, development, operation, and maintenance of a wastewater management system within the District, including all business facilities necessary and incidental thereto;
 2. Adopt resolutions and policies as necessary for implementation, regulation, and enforcement, consistent with the purposes of the District;
 3. Plan, develop, purchase or otherwise acquire, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain, and operate any wastewater management system and facilities within the territorial limits of the District;
 4. Assess and impose non-ad valorem assessments upon the lands in the District, as provided by the Key Largo Wastewater Treatment District Act and the Uniform Assessment Collection Act; and
 5. Do all acts or things necessary or convenient to carry out the powers expressly granted in the Key Largo Wastewater Treatment District Act.
- B. On or about December 19, 2017, the Board adopted a resolution expressing its intent to use the Uniform Method of Collecting Non-Ad Valorem Assessments.
- C. The District has entered into written agreements with the Property Appraiser and the Tax Collector in connection with the assessment and collection of non-ad valorem assessments.
- D. The District has entered into contracts for the design and construction of Wastewater Management Facilities to serve the District, including the portion of the District described in this Resolution as the Assessment Area, and these Wastewater Management Facilities will be designed and constructed.
- E. Construction and operation of the Wastewater Management Facilities provide a special benefit to real property located within the Assessment Area by providing access to the sewer system, eliminating the present need for onsite sewage treatment and disposal facilities on the real property

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located within the Assessment Area, eliminating existing illegal and inadequate onsite sewage treatment and disposal facilities on the real property located within the Assessment Area, and preventing further pollution of the ground water and surface waters under, on, and adjacent to the real property within the Assessment Area, whether that real property is connected to the District's sanitary sewer system or not.

- F. The Assessment established by this Resolution has been the subject of considerable research into the projected needs of the District for capital funding using the various possible methods of determining the amount of System Development Charges ("SDCs") for the apportionment of Capital Costs among the properties to be assessed. Among other things, the Board contracted with Public Resources Management Group, Inc. ("PRMG") to conduct a study and make recommendations as to wastewater rates and SDC's. On or about May 31, 2005, PRMG delivered to the Board the results of its study in a document entitled "Financial Forecast and Wastewater Rate Analysis." The Board held a public hearing on July 3, 2005 to receive public comments on the proposed wastewater rates and SDC's.
- G. As a result of those efforts, on July 20, 2005, the Board accepted the PRMG recommendations, and adopted a method of calculation of SDC's to be imposed against real property located within the Assessment Area. The amounts to be collected as SDC's total approximately 40% of the Capital Cost of District Wastewater Management Facilities constructed, and to be constructed, by the District and allocated to the Tax Parcels covered by this Resolution.
- H. At that time, the Board established a special classification for Laundromats for the purpose of calculating SDC's. The District determined that, for that purpose only, a Laundromat is to be counted as having one EDU. This determination was based on the Board's finding that the vast majority of Laundromat customers are either residents of the District or guests at hotels, motels, and other guest accommodations within the District and that the SDC's to be paid on account of those residences and guest accommodations will be sufficient to provide capacity for sewage generated by Laundromats.
- I. The District has designed the Wastewater Management Facilities in a way that is most economical and cost-effective for the District, as a whole. Although the District has provided the vast majority of residential Tax Parcels with connection points capable of receiving wastewater by gravity, the District has not provided gravity connection points for Residential Unique Parcels. The Board finds that it is fair and reasonable to provide low pressure wastewater transmission equipment,

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commonly referred to as grinder pumps, to the Residential Unique Parcels. Further, the Board finds that is in the best interests of the District for the District to install the low pressure equipment and associated piping needed to connect the Residential Unique Parcels to the Wastewater Management Facilities and to maintain the low pressure equipment and associated piping installed by the District as described herein.

- J. The Board hereby reaffirms its findings and determinations as described above. In addition, District Staff has conducted research and inspections of properties within the Assessment Area, and has developed classifications of service for the purpose of setting monthly rates. The Board adopts classifications of service for the purpose of SDC's and Assessments, as further described below. Further, the Board has determined that it is appropriate to increase the amounts of SDC's in order to take into account inflation since the 2005 Final Assessment Resolution.
- K. The Board has determined that the method for calculating SDC's described below is a fair and reasonable apportionment of costs among the properties to be assessed under this Resolution.
- L. The use of the Uniform Assessment Collection Act is a convenient and secure method to ensure collection of all SDC's to be collected by the District. Use of this method will enhance the ability of the District to borrow funds at reasonable rates in order to further develop and expand the Wastewater Management Facilities.
- M. The Assessment established by this Resolution is imposed by the District, and not by Monroe County. Any activity of the Property Appraiser or Tax Collector in connection with this Resolution and the non-ad valorem assessment shall be solely ministerial.

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ARTICLE III
ASSESSMENT ROLL

SECTION 3.01. ASSESSMENT ROLL. No Tax Parcels are being initially assessed in and by this “2024 ASSESSMENT RESOLUTION.” Pursuant to KLWTD RESOLUTION NO. 09-2024, 10-2024, 11-2024, 12-2024, and 13-2024, previously assessed Tax Parcels have been split to create new parcels, and the Non-Ad Valorem Assessment Rolls have been adjusted accordingly.

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ARTICLE IV

GENERAL PROVISIONS WITH RESPECT TO ASSESSMENTS

SECTION 4.01. DESCRIPTION OF PROPOSED ASSESSMENT AREA.

- A. The District's Service area includes the territory consisting of the island of Key Largo, including all lands east of Tavernier Creek, including Tavernier, Key Largo all in Monroe County, Florida with the exception of:
1. All areas north of Summerland Road on US-1, and
 2. All areas north of Charlemagne Blvd on County Road 905 including Ocean Reef.

SECTION 4.02. INITIAL PREPAYMENT AMOUNT. The Initial Prepayment Amount for each Tax Parcel covered by this Resolution is equal to the System Development Charge ("SDC") calculated for that Tax Parcel. SDCs and System Impact Charges ("SICs") are calculated according to the Tax Parcel's classification as follows:

- A. Residential Tax Parcels. For residential wastewater Service, the SDC is the sum of:
1. \$2,796 per Dwelling Unit for wastewater treatment plant capacity, plus
 2. \$1,645 per Dwelling Unit for force main – pipe capacity, plus
 3. \$3,404 per connection for connection to the wastewater system.
- B. Non-Residential Tax Parcels. For non-residential wastewater service, the SDC is the sum of:
1. \$2,796 per EDU for wastewater treatment plant capacity;
 2. \$1,645 per EDU for force main – pipe capacity; plus
 3. \$3,404 per connection or actual cost of connection, whichever is greater, for connection to the wastewater system.
 4. EDUs shall be calculated using the methodology indicated in the KLWTD Rules and Regulations.
- C. Laundromats. For purposes of calculating SDC's, a Laundromat shall be counted as one EDU, regardless of actual historic water consumption.
- D. Mixed-Use Tax Parcels. For mixed-use wastewater service, the SDC is the sum of:
1. \$2,796 per EDU for wastewater treatment plant capacity;
 2. \$1,645 per EDU for force main – pipe capacity; plus
 3. \$3,404 per connection or actual cost of connection, whichever is greater, for connection to the wastewater system.

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4. EDUs shall be calculated using the methodology indicated in the KLWTD Rules and Regulations.
- E. Residential Unique Parcel. For a Residential Unique Parcel, the SDC is the sum of:
 1. \$2,796 per Dwelling Unit for wastewater treatment plant capacity, plus
 2. \$1,645 per Dwelling Unit for force main – pipe capacity, plus
 3. \$3,404 per connection for connection to the wastewater system; plus
 4. \$4,565 per grinder pump for low-pressure equipment.
- F. Vacant Parcel. The initial SDC for a Vacant Parcel will be the same as the SDC for a Residential Tax Parcel improved with one Dwelling Unit. Upon development of the parcel, the District may revise the SDC to reflect actual or permitted construction.

SECTION 4.03. Provisions regarding the computation method, initial prepayment option, excluded parcels, subdivided and combined tax parcels, incorrectly assessed parcels, request for review of assessment and optional and mandatory prepayments are outlined in the KLWTD Rules and Regulations Article X.

SECTION 4.04. ANNUAL NON-AD VALOREM ASSESSMENT ROLL.

- A. The Annual Non-Ad Valorem Assessment Roll is the list of Tax Parcels participating in the annual payment program with an outstanding Assessment obligation.
- B. This list consists of Tax Parcels identification information and the annual amount to be assessed as a Non-Ad Valorem Assessment on that parcel's Tax Bill.
- C. Non-Ad Valorem Assessments shall be computed pursuant to the KLWTD Rules and Regulations and Article X.
- D. The Assessments will be imposed for Tax Year 2024 and each succeeding Tax Year in which any portion of the Assessment obligation remains outstanding.
- E. This Non-Ad valorem assessment roll shall be certified to the tax collector for collection in the manner authorized by the Uniform Assessment Collection Act.
- F. The annual interest rate applicable to the Annual Debt Service Component calculation for Non-Ad Valorem Assessments levied in 2024 shall be 2.590% of the Adjusted Prepayment Amount. The annual interest rate applicable to each succeeding Tax Year shall be published prior to the certification of each annual non-ad valorem assessment roll.

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ARTICLE V

GENERAL PROVISIONS

SECTION 5.01. METHOD OF COLLECTION. The Assessments shall be collected pursuant to Chapter 197.3632, Florida Statutes, The Uniform Assessment Collection Act.

SECTION 5.02. SEVERABILITY. If any clause, section, or provision of this Resolution shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of said Resolution shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein.

SECTION 5.03. CONFLICT. In the event that any portion of this Resolution, or application thereof, conflicts with any State or Federal law, such State or Federal law shall prevail.

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EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption by the District.

The foregoing RESOLUTION was offered by Commissioner _____, who moved its approval. The motion was seconded by Commissioner _____, and being put to a vote the result was as follows:

	AYE	NAY
Chairman Rodriguez	_____	_____
Commissioner Heim	_____	_____
Commissioner Maloney	_____	_____
Commissioner Majeska	_____	_____
Commissioner Schwartz	_____	_____

The Chairman thereupon declared this Resolution duly passed and adopted on the 16th day of July 2024.

KEY LARGO WASTEWATER TREATMENT DISTRICT

BY: _____
Nicolas Rodriguez, Chairman

*Approved to as to form
and legal sufficiency:*

ATTEST:

Shannon McCully, District Clerk

Nicholas W. Mulick, District Counsel

SEAL